

H-3108-1 - RELINQUISHMENTS, TERMINATIONS, AND CANCELLATIONS

I. Relinquishments

Keywords

A. General

The record title holder, or the holder's duly authorized agent, may surrender a lease or any legal subdivision thereof by filing a written relinquishment in the proper Bureau of Land Management (BLM) office. No special form is required. A filing fee is not required. If the relinquishment is filed by the record title holder's authorized agent or attorney-in-fact, the signature must reveal the relationship to the record title holder.

RELINQUISHMENT

The term "record title holder" means the holder or holders of 100 percent of the record title of the lands involved in the relinquishment. Therefore, anything less than 100 percent of the record title, i.e., 10, 25, 90 percent, etc., cannot be relinquished. Accordingly, the relinquishment of a lease or any legal subdivision thereof is required to be signed by all of the record title holders.

If more than one record title holder is involved, in lieu of a single relinquishment that is signed by all of the record title holders, multiple relinquishments may be filed in order to accomplish the relinquishment of 100 percent of the record title. If multiple documents are filed, the relinquishment shall not take effect until the separate documents total 100 percent of the record title. The effective date is the filing date of the last relinquishment document. If less than a 100 percent record title relinquishment is filed by one of several lessees for all or a legal subdivision of a lease, and the lease anniversary date arrives before all co-lessees have filed relinquishments, a partial rental payment to the Minerals Management Service (MMS) shall result in termination of the lease (see Section I.C, below).

MULTIPLE
LESSEES - LEASE
RELINQUISHMENT

In accordance with the Mineral Leasing Act (MLA) of 1920, as amended August 8, 1946 (30 U.S.C. 187b), the relinquishment of an oil and gas lease or legal subdivision thereof is effective immediately upon filing, but is subject to the continued obligation of the record title holder and surety to pay all accrued rental and royalties, place all wells on the lands to be relinquished in condition for suspension or abandonment, and complete reclamation requirements, in accordance with the terms of the lease and the regulations at 43 CFR 3108.1. At the discretion of the authorized officer, lands in a relinquished lease may be offered for competitive leasing with the requirement that the new lessee shall be responsible for reentering or plugging the well.

RELINQUISHMENT
EFFECTIVE ON
DATE OF FILING

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Keywords

A relinquishment is effective as of the date it is filed, despite the fact that a prospective assignee of an interest in the lease may object. Either a copy of the relinquishment is to be returned to the lessee or a decision may be prepared indicating the effective date of the relinquishment (see Section I.D, below).

A relinquishment shall not be withdrawn once it is filed. The Secretary of the Interior has no authority to reinstate an oil and gas lease that has been relinquished. (See Roy W. Reed, 7 Interior Board of Land Appeals (IBLA) 321 (1972).) The IBLA also has ruled in J.M. Dunbar, A.G. Andrikopoulos, 62 IBLA 119 (1982), that where a lessee relinquishes an oil and gas lease, the lessee is exercising a right given by the MLA, and the BLM may not interfere.

RELINQUISHMENT
WITHDRAWAL
NOT ALLOWED

A relinquishment may not be for a separate zone or deposit or for less than a lot or quarter-quarter section unless that is all the land included in the lease.

RELINQUISHMENT
FOR SEPARATE ZONE
NOT ALLOWED

Minor deficiencies in the relinquishment, such as an obvious typographical error in the legal description, may be clarified/corrected with the effective date being the date the relinquishment was originally filed.

MINOR ERRORS IN
RELINQUISHMENT
CORRECTABLE

The MMS may receive indication from the lessee in the form of a notation on the courtesy billing notice, a letter, or a relinquishment format, that the lessee does not wish to retain the lease. The documentation from the lessee is forwarded to the State Office by the MMS, and is to be filed in the case file with a notation that a termination notice is not required to be sent. However, if the notification is received from someone other than the current lessee, such as a pending assignee, or from only one of several co-lessees, a termination notice shall be mailed by the BLM State Office (see Section II.D, below).

RELINQUISHMENT
NOTICE RECEIVED
BY MMS

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B. Filing

Responsible Official	Step	Action	Keywords
Receiving Official	1.	Date-time stamp the relinquishment and send it to Docket.	RELINQUISHMENT FILED - DATE-TIME STAMP
Docket	2.	Attach relinquishment to the lease case file and send to Adjudication for processing.	

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C. Processing

Responsible

<u>Official</u>	<u>Step</u>	<u>Action</u>	<u>Keywords</u>
Adjudication	1.	Examine the relinquishment to ensure that the record title holder and lease serial number match. Only one copy of the relinquishment that has been executed by each record title holder or duly authorized agent, e.g., an attorney-in-fact, acting on behalf of each record title holder is required.	REVIEW RELINQUISHMENT
	2.	If a partial relinquishment, verify the relinquished lands and retained lands, and ensure that the acreages are correct.	PARTIAL RELINQUISHMENT
	2a.	Verify that the partial relinquishment is not less than a lot or quarter-quarter section, i.e., not less than a legal subdivision, and is not for a separate zone or deposit.	
		Verify that the lease had not terminated for failure to pay the annual rental.	
		If a partial relinquishment is filed in the wrong office or is filed in the proper BLM office after the lease anniversary date and rental only for the retained lands is paid to the MMS, the lease automatically terminates (see Appendix 1).	
	3.	If an entire relinquishment is filed, the lands do not need to be described as long as the relinquishment is clear that it is for the entire lease.	ENTIRE RELINQUISHMENT
	3a.	If the relinquishment indicates that it is for the entire lease and the lands are also described, verify the accuracy of the described lands and acreage.	

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Responsible

<u>Official</u>	<u>Step</u>	<u>Action</u>	<u>Keywords</u>
	3b.	If an error is found, correct it as long as the relinquishment clearly is intended to cover the entire lease, in which case, the effective date of the relinquishment shall remain the date that the relinquishment was originally filed in the proper BLM office.	RELINQUISHMENT CORRECTED - EFFECTIVE DATE SAME DATE AS ORIGINALLY FILED

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D. Acceptance

Responsible Official	Step	Action	Keywords
Adjudication	1.	Indicate the BLM acceptance of the relinquishment on the original copy, noting the date that the relinquishment is effective.	ACCEPTANCE OF RELINQUISHMENT
	1a.	Note that the effective date is the date when the relinquishment is date-time stamped in the proper BLM office, not the date when it is received in any other agency office, such as with the MMS.	
	2.	Retain original copy of relinquishment in the case file and send a copy to the lessee.	RELINQUISHMENT ORIGINAL FILED IN CASE FILE
	2a.	<u>OPTIONAL</u> : Offices wishing to maintain uniform records and/or to make a more formal acceptance of relinquishments, may prepare a decision to indicate the BLM acceptance and effective date of the relinquishment (see Illustrations 1 and 2).	
	3.	For a lease in terminable status in the MMS automated data system, notify the MMS's Data Management Division (MMS-DMD) of the relinquishment with an accounting advice (see Illustrations 3, 4, and 5).	NOTIFY MMS-DMD OF RELINQUISHMENT
	4.	For a lease in nonterminable status, notify the MMS-DMD of the relinquishment with a copy of either the relinquishment, the decision (if one is prepared), or a memorandum. For an example of the memorandum, see Illustration 6.	

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Responsible

Official	Step	Action	Keywords
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	5.	If the full rental is paid for the next lease year and a partial or entire relinquishment is filed on or before the anniversary date, authorize a refund for the appropriate amount (entire next year's rental if the relinquishment was for entire lease, or excess of the amount of rental required for the retained lands if the lease was relinquished in part).	RELINQUISHED LEASE - AUTHORIZE RENTAL REFUND FOR APPROPRIATE AMOUNT
	6.	Advise the BLM Field Office fluid mineral operations staff of each relinquished lease that has had actual or allocated production and, if known, has had surface activity without actual or allocated production. Advise the surface management agency (SMA) of each relinquished lease that includes lands within its jurisdiction. Send a copy of either the relinquishment, the decision, or a memorandum. For an example of the memorandum, see Illustration 6.	ADVISE FIELD OFFICE OPERATIONS AND SMA OF LEASE RELINQUISHMENT
	7	Distribute copies of relinquishment, and send completed accounting advice to Accounts/MMS-DMD.	ACCOUNTING ADVICE - RELINQUISHMENT
ALMRS Entry	8.	Update the case in the ALMRS automated system using the current data standards:	AUTOMATED NOTATION
	8a.	Enter Action Date (MANDATORY ACTION CODE): Date relinquishment filed; DE 1775 Action Code 780/DE 2910 Action Code 311; <u>OR</u>	
	8b.	Enter Action Date (MANDATORY ACTION CODE): Date partial relinquishment filed; DE 1775 Action Code 781/DE 2910 Action Code 312.	
	8c.	Enter Action Date (MANDATORY ACTION CODE): Date entire relinquishment accepted; DE 1775 Action Code 782/DE 2910 Action Code 310; <u>OR</u>	

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Official	Step	Action	Keywords
	8d.	Enter Action Date (MANDATORY ACTION CODE): Date partial relinquishment accepted; DE 1775 Action Code 783/DE 2910 Action Code 890; <u>OR</u>	
	8e.	Enter Action Date (MANDATORY ACTION CODE): Date relinquishment accepted in part; DE 1775/2910 Action Code 784.	
	8f.	Update ALMRS automated system to change legal land description and acres of lease, as applicable.	
	8g.	When relinquishment is for entire lease, remove DE 1775/2910 Action Code 763 and enter DE 1775/2910 Action Code 970 to close case.	
Title Records	9.	Remove the lease number and make other appropriate notations on the records and oil and gas use plat, and note the historical index. Forward to Docket.	RECORDS NOTATIONS
Docket	10.	If a partial relinquishment, file the case file on the regular shelf.	
	11.	If a total relinquishment, file the case file with the closed files.	
Adjudication	12.	Process the lands for competitive leasing, as appropriate.	RE-LEASE LANDS
	13.	If an individual lease bond had been accepted and the period of liability has not been terminated, request a report from the Field Office fluid mineral operations staff as to whether the period of bond liability can be terminated (see Handbook 3104-1).	

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KeywordsE. Unacceptable

A relinquishment is unacceptable if it is not signed by all of the record title holders (or a duly authorized agent, such as an attorney-in-fact). A relinquishment also is unacceptable if the lease has previously expired or terminated (see Illustrations 7 and 8). And, if the relinquishment is for a separate zone or deposit or is for less than a lot or quarter-quarter section (smallest legal subdivision) and the relinquished land is not the only land included in the lease, reject the relinquishment as unacceptable by a decision with the right of appeal (see Illustration 9).

UNACCEPTABLE
RELINQUISHMENT

If a lessee intends to file a partial relinquishment near the lease anniversary date and pay rental for only the retained lands, the relinquishment must be properly filed in the proper BLM office before the lease anniversary date and the rental for the retained lands must be paid to the MMS. Otherwise, the partial relinquishment shall be unacceptable because the lease will have automatically terminated by operation of law for failure to pay the full rental for the entire lease acreage (see Appendix 1).

Responsible

<u>Official</u>	<u>Step</u>	<u>Action</u>	<u>Keywords</u>
ALMRS Entry	1.	Update the case in the ALMRS automated system using the current data standards:	AUTOMATED NOTATION
	1a.	Enter Action Date (MANDATORY ACTION CODE): Date relinquishment filed; DE 1775 Action Code 780/DE 2910 Action Code 311; <u>OR</u>	
	1b.	Enter Action Date (MANDATORY ACTION CODE): Date partial relinquishment filed; DE 1775 Action Code 781/DE 2910 Action Code 312.	
	1c.	Enter Action Date (MANDATORY ACTION CODE): Date all or part of relinquishment is invalid/denied; DE 1775 Action Code 785/DE 2910 Action Code 313; Action Remarks: Reason for denial.	

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